

# Prize Offers

Some prize offers and sweepstakes that come in the mail are scams but trick consumers into thinking the offers are legitimate. They use attention-getting gimmicks such as fancy certificates, official entry numbers, or envelopes that look like telegrams. No matter how they're packaged, however, these offers will cost you money.

Con artists lure consumers into calling a special telephone number for more information. After making the call, consumers find they must pay claim fees, shipping and handling costs, or purchase merchandise in order to be eligible.

These companies use high-pressure tactics to convince people to send money immediately. Some even offer to send a courier to collect payment. Consumers are talked into giving their credit card numbers and then are

billed hundreds of dollars, or are tricked into providing a checking account number which enables an automatic withdrawal to be made from their checking account.

## Worthless Prizes

You can be sure you won't win any prize with a brand name, cash, or a government bond. Prizes such as jewelry and watches are junk, vacations are actually vacation certificates hardly worth the paper they're printed on, and shopping sprees amount to coupons that are good only when making purchases.

Sales people sometimes try to get consumers to purchase overpriced products or services in order to claim the worthless prizes. Water filters turn out to be little plastic discs. Vitamins and cosmetics can be purchased at a local store for much less money. Credit card protection is often

sold, but federal law already protects consumers against unauthorized charges on missing credit cards. Some telemarketers encourage people to buy pens or other products with antidrug messages. Local schools and law enforcement can get that material elsewhere at a greatly reduced cost.

## Law on Prize Offers

Wisconsin law (section 100.171, Wis. Stats.) regulates unsolicited prize notices given to individuals in Wisconsin. Under the law, solicitors may not request or accept any payment for prize promotions before they provide a written prize notice that contains:

- The verifiable retail value of each prize.
- The odds of receiving each prize.
- Any shipping, handling, or other fees that must be paid.

(over)

- Any requirement to attend a sales presentation.
- The name and address of the solicitor and the sponsor.
- Any limitation or conditions on receiving the prize.

The law even specifies how these disclosures must be presented, including their location on the notice and their type size. For instance, the odds must be in the immediate proximity of each listing of a prize and must be in the same size and boldness of type as the prize.

If a company violates this law, a lawsuit may be filed asking for restitution for consumers and civil forfeitures of up to \$5,000. Intentional violations of the statute could result in fines up to \$10,000 and two years imprisonment. The law also includes a private remedy. This means you could go to court and be eligible for an award of \$500 or twice the amount of your loss,

whichever is greater, plus costs and attorney fees.

## **Protect Yourself**

Even prize promotions that comply with the law may not be worthwhile. Remember, if you have to pay to win a prize, it is not much of a prize. Here are some precautions to take:

- Do not pay a handling fee or provide a credit card number or information about your savings or checking account in order to win an award.
- Do not wire a payment or send a check through an express courier service without checking references and contacting the Bureau of Consumer Protection.
- If you get a notice in the mail—throw it away. If the offer comes over the telephone—hang up!

Finally, if you do lose money to a fraudulent telemarketer—

**COMPLAIN!** Most people are embarrassed and do not report it. That allows the swindler to victimize other people in your community.

If you have lost money to a telemarketer, be cautious of private companies that may contact you and offer to help you get some of your money back—for a fee. Government agencies do not charge for that service. Some people have paid fees of nearly \$200 and received no refunds or services.

For more information or to file a complaint, contact the Bureau of Consumer Protection at:

**(800) 422-7128**

**FAX: (608) 224-4939**

**TTY: (608) 224-5058**

**E-mail:**  
**[datcph hotline@datcp.state.wi.us](mailto:datcph hotline@datcp.state.wi.us)**

**Website:**  
**<http://datcp.state.wi.us/>**